

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7014

BILL NUMBER: HB 1149

NOTE PREPARED: Dec 21, 2004

BILL AMENDED:

SUBJECT: IURC Merger and Fining Authority.

FIRST AUTHOR: Rep. Lutz

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a merger, consolidation, reorganization, or stock transaction involving an energy company may not occur without the approval of the Utility Regulatory Commission (IURC) if the transaction will cause more than 51% of the company's voting stock to be held by different interests. It requires the IURC to approve the transaction unless the resulting entity will lack the capability to provide adequate and reliable service. It allows the IURC to impose a civil penalty of up to \$5,000 if a public utility providing energy services violates any: (1) utility law; or (2) rate or service requirement imposed by the IURC. The bill also allows the IURC to impose an additional penalty of up to \$10,000 if the violation demonstrates a disregard by the public utility of its duty to remedy the violation. It also specifies that a suit to recover a penalty imposed by the IURC shall be brought by the Attorney General.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues: *Court Fee Revenue:* This bill makes it so that instead of committing a Class B infraction for violating the general utility chapter of the code, an electric or gas public utility would be subject to a civil penalty. The IURC may impose a civil penalty of no more than \$5,000 on an electric or gas public utility for failing to comply with standards of service established by the IURC, or rate or service requirements of an order of the IURC. In addition, the IURC may impose another civil penalty of not more than \$10,000 if the failure to comply demonstrates a continuing pattern of misconduct. Any money recovered from these penalties must be paid into the state General Fund.

If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected: IURC.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

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